

HOUSE BILL NO. 256

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES HOPKINS, Story

Introduced: 2/19/20

Referred: Education, Labor & Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a workforce enhancement program for teachers employed in the**
2 **state."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 14.43 is amended by adding new sections to read:

5 **Article 9A. Teacher Workforce Enhancement Program.**

6 **Sec. 14.43.530. Program established.** (a) The teacher workforce enhancement
7 program is established in the department for the purpose of addressing the growing
8 shortage of teachers in the state by increasing the number and retention of teachers at
9 eligible site schools in the state with high teacher turnover rates and in schools in rural
10 areas of the state.

11 (b) The program established under this section must include

12 (1) employer payments, as described in AS 14.43.535;

13 (2) direct incentives, as described in AS 14.43.545;

14 (3) student loan repayments, as described in AS 14.43.550;

1 (4) procedures for the board's designation and prioritization of high
2 needs eligible sites and high needs positions;

3 (5) an application process for participation in the program as

4 (A) an eligible site; or

5 (B) an eligible teacher;

6 (6) provision of public information and notices relating to the program;

7 (7) a five-year lifetime maximum for a teacher to be eligible to
8 participate in the program.

9 (c) Each school district that participates in the program established under this
10 section shall, on or before July 1 of each year, prepare and submit to the board a report
11 that describes the turnover rate of teachers in the participating school district for the
12 previous calendar year.

13 (d) The department may

14 (1) contract for payments under the program and for the services of a
15 consultant, expert, financial advisor, or other person the department considers
16 necessary for the exercise of its powers and functions and to perform its duties under
17 AS 14.43.530 - 14.43.560;

18 (2) adopt regulations necessary to implement the program.

19 **Sec. 14.43.535. Employer payments.** A school district approved for
20 participation in the program as an employer shall make a nonrefundable quarterly
21 payment to the department for the benefit of the employer's eligible teacher. The
22 employer payment may come from any available source, including a philanthropic
23 institution, education foundation, government agency, community organization, or
24 private individual. The payment amount

25 (1) must be equal to the eligible teacher's program payment amount
26 established by the board;

27 (2) may be adjusted based on the employer's ability to pay, as
28 determined by the board; and

29 (3) may include a fee established by the department for services
30 provided under the program.

31 **Sec. 14.43.540. Initial and renewal payments.** (a) The department may

1 approve student loan repayment and direct incentive payments for qualified
 2 employment for an initial period of three years and may approve one renewal period
 3 of two years if the applicant

4 (1) submits an application on a form approved by the department for

5 (A) student loan repayments and, for student loan repayment
 6 renewal, demonstrates that the applicant has

7 (i) a continuing student loan obligation on the same
 8 student loan that was subject to repayment under the program during
 9 the initial three-year period; or

10 (ii) incurred additional student loan debt that qualifies
 11 for repayment;

12 (B) direct incentive payments; or

13 (C) payments under both (A) and (B) of this paragraph;

14 (2) is otherwise eligible for participation in the program; and

15 (3) does not exceed the five-year lifetime maximum eligibility for
 16 participation in the program.

17 (b) The department shall combine an eligible teacher's direct incentives and
 18 pay the total amount to the eligible teacher in one quarterly cash payment. The
 19 department shall combine an eligible teacher's student loan repayments and pay the
 20 total amount to the lending institution in one quarterly payment.

21 (c) Except as provided in (d) of this section, the combined total amount of an
 22 eligible teacher's direct incentives and student loan repayments may not exceed,

23 (1) for an eligible teacher employed at an eligible site that is not a high
 24 needs eligible site in a position that is not a high needs position, \$2,500 annually;

25 (2) for an eligible teacher employed at an eligible site that is not a high
 26 needs eligible site in a high needs position, \$5,000 annually;

27 (3) for an eligible teacher employed at a high needs eligible site in a
 28 position that is not a high needs position, \$7,500 annually;

29 (4) for an eligible teacher employed at a high needs eligible site in a
 30 high needs position, \$10,000 annually.

31 (d) The department may annually increase the annual maximum program

1 payment amounts in (c) of this section by the average percentage increase in the
 2 Consumer Price Index for urban wage earners and clerical workers for Urban Alaska
 3 during the previous five calendar years, as determined by the United States
 4 Department of Labor, Bureau of Labor Statistics.

5 (e) The department shall prorate student loan repayments and direct incentive
 6 payments based on the number of qualified employment hours the eligible teacher
 7 worked in a calendar quarter. The department may not pay a student loan repayment or
 8 direct incentive before the completion of a calendar quarter in which the incentive
 9 payment was earned.

10 (f) The department shall deposit employer payments received under
 11 AS 14.43.535 in a separate account in the general fund.

12 (g) The department shall pay student loan repayments and direct incentives
 13 with funds appropriated by the legislature for that purpose. The department may limit
 14 the number of program participants based on available funding. If insufficient money
 15 is appropriated to fully fund the program in a fiscal year, the department shall prorate
 16 payments based on the number of approved participants in the program.

17 **Sec. 14.43.545. Direct incentives.** The department shall provide a direct
 18 incentive in the form of a quarterly cash payment to an eligible teacher engaged in
 19 qualified employment in an amount established by the board and that is provided by
 20 an employer approved under the program.

21 **Sec. 14.43.550. Student loan repayment.** (a) The department shall repay a
 22 portion of eligible student loans held by or made to an eligible teacher.

23 (b) A student loan is eligible for repayment if the student loan

24 (1) was issued to an individual eligible for a direct incentive payment
 25 under AS 14.43.555;

26 (2) is a student loan as described in 26 U.S.C. 108(f)(2);

27 (3) was used by the individual for a program for which the individual
 28 received a certificate, license, or degree.

29 (c) A student loan repayment under this section may not exceed 33.3 percent
 30 of the unpaid student loan balance existing in the first year of the individual's
 31 participation in the program multiplied by the percentage of full-time equivalent

1 employment for each year of qualified employment, not to exceed three years.

2 (d) A student loan or interest on a student loan is not eligible for repayment
3 under this section if the student loan or interest is

4 (1) to be repaid by another source, including another loan repayment or
5 forgiveness program or any employer-sponsored loan repayment program;

6 (2) consolidated with a loan that is not eligible for repayment; or

7 (3) refinanced as a loan that is not eligible for repayment.

8 **Sec. 14.43.555. Eligible teacher.** (a) To be eligible for a direct incentive
9 payment, an individual must

10 (1) submit an application that is approved by the board;

11 (2) be engaged in qualified employment at an eligible site with a
12 participating employer;

13 (3) for the first year of eligibility, be a new hire to the school district in
14 which the individual is engaged to work;

15 (4) be a participant of a retirement program under AS 14.25.310 -
16 14.25.590;

17 (5) hold a teaching certificate issued under AS 14.20; and

18 (6) satisfy other criteria established by the board.

19 (b) To be eligible for student loan repayment, an individual must

20 (1) satisfy the requirements of (a) of this section; and

21 (2) have an unpaid balance of at least \$2,500 on one or more eligible
22 student loans verified by the Alaska Commission on Postsecondary Education or the
23 department.

24 **Sec. 14.43.560. Definitions.** In AS 14.43.530 - 14.43.560,

25 (1) "eligible site" means a public school in the state that is designated
26 as a Title I school under federal law and is in

27 (A) a school district with demonstrated turnover of 25 percent
28 or greater for the previous school year; or

29 (B) a rural area;

30 (2) "employer payment" means the payment an employer makes to the
31 department for participation in the program;

1 (3) "high needs eligible site" means an eligible site with demonstrated
2 turnover of 33 percent or greater for the previous school year;

3 (4) "high needs position" means a position at an eligible site with a
4 vacancy rate of 10 percent or greater throughout a school district;

5 (5) "program" means the teacher workforce enhancement program;

6 (6) "qualified employment" means a high needs position, a position at
7 a high needs eligible site, a special education position, or a literacy specialist position;

8 (7) "rural" means a community with a population of 5,500 or less that
9 is not connected by road or rail to Anchorage or Fairbanks or with a population of
10 1,500 or less that is connected by road or rail to Anchorage or Fairbanks;

11 (8) "school district" has the meaning given in AS 14.30.350.